

SURETY ESTIMATE UPDATE

Western Clay Company

Date

22-May-06

Redmond Bentonite Pits

FILE # M/041/012

Sevier County

Prepared by Utah Division of Oil, Gas & Mining

Last Update

1/16/2002

DESCRIPTION:

- Previous reclamation surety estimate was \$83,139 in year 2001 dollars
- Reclamation Estimate base amount calculated in 2001-\$
- This update adjusts the surety amount for escalation only.
- Escalation factors through 2006 are actual Means Historical Cost Indices
- Total disturbed area = 33.24 ACRES

CALCULATIONS $F = P(1 + i)^{**n}$	YR	ESCAL FACTOR	BOND AMOUNT
	1995	0.0193	\$0
F = Future Sum	1996	0.0242	\$0
P = Present Sum	1997	0.0236	\$0
i = Escalation Factor	1998	0.0502	\$0
n = number of periods	1999	0.0191	\$0
	2000	0.0244	\$0
Three Yr Average =1.60%	2001	0.0421	\$0
Used to Project 5 Yrs	2002	0.0202	\$83,139
From the Year 2006	2003	0.0171	\$84,561
	2004	0.0084	\$85,271
	2005	0.0399	\$88,673
	2006	0.0160	\$90,092
	2007	0.0160	\$91,534
	2008	0.0160	\$92,998
	2009	0.0160	\$94,486
	2010	0.0160	\$95,998
	2011	0.0160	\$97,534
Updated Surety Amount Rounded (2011-\$)			\$97,500
** Average cost per acre =	2934 (\$/ACRE)		